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FM AMEMBASSY PRETORIA
TO RUEHC/SECSTATE WASHDC 1673
INFO RUEHBJ/AMEMBASSY BEIJING 0654
RUEHHE/AMEMBASSY HELSINKI 0097
RUEHLO/AMEMBASSY LONDON 1285
RUEHMO/AMEMBASSY MOSCOW 0662
RUEHFR/AMEMBASSY PARIS 1154
RUEHUL/AMEMBASSY SEOUL 0222
RUEHKO/AMEMBASSY TOKYO 0501
RUEHTN/AMCONSUL CAPE TOWN 4816
RUEH DU/AMCONSUL DURBAN 9149
RUEHJO/AMCONSUL JOHANNESBURG 7389
RHEHNSC/NSC WASHDC
RUCPDC/DEPT OF COMMERCE WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 0214
RHEBAAA/DEPT OF ENERGY WASHINGTON DC

UNCLAS SECTION 01 OF 02 PRETORIA 003183

SIPDIS

SENSITIVE
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DEPT FOR AF/S, EEB/ESC AND CBA, ISN
DOE FOR SPERL, PERSON, BIENAWSKI, PARKER, SCOTT, AND CLAPPER
DOC FOR J.DIAMOND
DEPT PLEASE PASS TO USTR FOR P.COLEMAN

E.O. 12958: N/A

TAGS: [ENRG](#) [BEXP](#) [TRGY](#) [PREL](#) [IAEA](#) [EINV](#) [ECON](#) [SF](#) [JA](#)
SUBJECT: JAPAN PASSIVE ON ADVOCATING WESTINGHOUSE'S SOUTH
AFRICA BID

REF: A. PRETORIA 3078

1B. PRETORIA 317

11. (SBU) SUMMARY: The Government of Japan is unable to manifest overt support for the Westinghouse bid for building new nuclear plants in South Africa. Toshiba acquired Westinghouse in October of last year, but Mitsubishi also has a commercial relationship with competitor French Areva. The GOJ appears unable to choose between the two big Japanese commercial groups, even though it is unclear whether Mitsubishi would actually participate in the French bid. End Summary.

12. (SBU) Economic Counselor and Minerals and Energy Officer accompanied Westinghouse SA Manager Rita Bowser on September 5 to call on the Embassy of Japan to coordinate advocacy efforts on behalf of Toshiba/Westinghouse's bid for building 2-3 new nuclear power plants in South Africa (Reftels). Embassy of Japan Minister Takayuki Miyashita stated that the GOJ's position was "sensitive", because Mitsubishi has a "friendly relationship" with French Areva, the main competitor to Westinghouse for the South Africa bid. Miyashita said that their embassy had received no answer from Tokyo regarding whether they could support Toshiba/Westinghouse's bid (prompted by the previous call of Economic Counselor last February). Moreover, Miyashita noted that they had received no contact from Toshiba regarding the bid.

13. (SBU) The Westinghouse rep and Economic Officers probed for some sort of support from the Embassy of Japan, especially with respect to the expected visit of Toshiba Senior Vice President Niwano to South Africa in October, but Miyashita offered only a call on the Japanese Ambassador (later expanded to a private dinner at the Japanese Ambassador's residence). The Westinghouse rep outlined Westinghouse's strategy and advantages for gaining its bid for nuclear new build in South Africa, noting that the SAG

had identified selection of Pressurized Water Reactor (PWR) technology (reftels) for which Westinghouse and Areva are the only two SAG-approved suppliers. Economic Counselor noted that the USG was able to approve advocacy for Westinghouse because it was the sole U.S. supplier of this technology. The Westinghouse rep noted that the Areva bid would not likely include Mitsubishi-sourced technology or products. Miyashita took note of this, but was unable to promise GOJ support.

¶4. (SBU) Economic Counselor proposed an additional argument in Westinghouse's favor, noting that Japan and the U.S. were first and second as the two largest markets for South African exports (together representing over 21% share), so South Africa should consider this as a moral argument in favor of the U.S./Japanese bid for a contract of this size. France is not as significant of a market, ranking only eleventh with a 2% share. The Westinghouse rep noted that South Korea had reportedly opened an office in South Africa to compete for the nuclear bid, so they could not be counted out, even though South Korea is not on the SAG list of approved suppliers. (South Korea ranks 15th with a 1.7% share of SA exports.)

¶5. (SBU) COMMENT AND NEXT STEPS: Westinghouse will urge Toshiba to make a pitch to the GOJ to support the Toshiba/Westinghouse bid and to manifest this support as soon as possible. Toshiba will be sending executives to South Africa in October (Corporate Senior Executive Vice President Masao Niwano) and February (President and CEO Atsutoshi Nishida) and Westinghouse CEO Steven Tricht will come in November. The latter visit might be the best opportunity to sponsor an event to support the Toshiba/Westinghouse bid.

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Post will continue to argue for greater Japanese advocacy, emphasizing that Mitsubishi will not likely be participating in the Areva bid.
Teitelbaum